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FORMER CEO OF BIG VALLEY HELPING HANDS PLEADS GUILTY TO FRAUD

SACRAMENTO--United States Attorney McGregor W. Scott announced today that KIMBERLY R. CHIMIKLIS, 48, of Stockton, California, has pleaded guilty to pension and health care fraud in connection with her operation of Big Valley Helping Hands Corporation ("Big Valley"). Chimiklis, the former Chief Executive Officer of Big Valley, operated the now defunct non-profit corporation in Stockton, Manteca and Modesto, to, among other things, teach foster children how to live independently.

This case is the product of an extensive investigation by agents of the United States Department of Labor, Employee Benefits Security Administration.

According to Assistant United States Attorney Robin R. Taylor, who prosecuted the case, defendant KIMBERLY R. CHIMIKLIS admitted to causing losses of more than \$153,035.35. to Big Valley. Specifically, she pleaded guilty to stealing employee contributions to a 401(k) plan, and using the money to operate Big Valley and pay salaries. Defendant KIMBERLY R. CHIMIKLIS further admitted to taking employee health care premiums and failing to forward them to the providers, including Aetna Health Care ("Aetna"). In some instances, the defendant also took employee contributions to the Big Valley Cafeteria Plan, which she used to operate Big Valley and to pay salaries. As a result, many employee health care claims were denied.

In operating Big Valley, the defendant also admitted to defrauding Union Safe Deposit Bank by wrongfully cashing a check for \$35,258.54 sent to her by San Joaquin County in error. The defendant also cheated Universal Funding Corporation, a factoring company located in Spokane, Washington. A factoring company advances to individuals and corporations a percentage of money those individuals or corporations are owed by a third party. The factoring company then stands in the shoes of the creditor receiving funds from the third party. Defendant KIMBERLY R. CHIMIKLIS admitted that she factored accounts receivable from San Joaquin County. Although Universal advanced funds to Big Valley, and was to receive the funds from San Joaquin County, when Universal attempted to collect the funds, the defendant falsely denied the factoring relationship and instructed the County to pay all funds to her.

For the pension fraud, the defendant faces a maximum penalty of five years imprisonment, for each count, and a \$250,000 fine. For the health care fraud, she faces 10 years imprisonment for each count. The defendant has agreed to pay restitution in the amount of \$125,414.65 to all victims. Sentencing in this matter is scheduled for February 23, 2005, before the Hon. Lawrence K. Karlton.